ECON 239 – Business, Law and Economics
Spring 2014
Syllabus

Class meets: Mondays 3–6 pm in Baker Hall 102
Instructor: David Warden
Office:
Office hours: By Appointment
Phone: 713-494-0225
E-mail: **dew1@rice.edu**

Required Text: *Principles of Law and Economics* by Cole & Grossman, 2d ed. 2011.

Prerequisites: ECON 201. Preferably be in your junior or senior year at Rice.

Course Description: This course covers the tools in law and economics that are used to characterize efficient laws, and will primarily focus on the substantive areas of property, tort, and contract law. Each year, one to two weeks of class will be devoted to applying those tools to analysis of additional areas of law, such as agency, criminal law, constitutional law, etc. The class is taught by examination of actual cases in the style of a first-year law school "Socratic method," thus, individual class participation is essential.

Attendance policy: You are expected to come to every class.

Office policy: Office hours will be scheduled by appointment as necessary. If your schedule makes it difficult to meet during the week, I will be happy to schedule to meet with you on a weekend.

Grading: Your grade is computed only as a function of your answers to exam questions and class participation, weighed as follows:

Midterm: 35%
Final: 45%
Class participation (oral quizzes): 20%

Numerical scores are translated into letter grades as follows: 97-100 A+, 93-96 A, 90-92 A-, 87-89 B+, 83-86 B, 80-82 B-, 77-79 C+, 73-76 C, 70-72 C-, 67-69 D+, 63-66 D, 60-62 D-, 0-59 F.

Make-ups: There will be no make-ups for missed exams (quizzes, midterm, or final).

Extra credit: There will be no extra credit assignments.

Reasonable accommodation statement: Any student with a documented disability needing academic adjustments or accommodations is requested to speak with me during the first two weeks of class. All discussions will remain confidential. Students with disabilities will need to also contact Disability Support Services in the Ley Student Center.

Any student with a disability requiring accommodations in this course is encouraged to contact me after class or during office hours. Additionally, students will need to contact Disability Support Services in the Ley Student Center.

If you have a documented disability that will impact your work in this class, please contact me to discuss your needs. Additionally, you will need to register with the Disability Support Services Office in the Ley Student Center.

Class Participation and Oral Quizzes: Class participation is essential and will include oral recitation that will count as quizzes on the material to be covered in that day's class. Failure to prepare for a class will make it very difficult to perform well in this phase of your evaluation. Obviously, to make class participation a part of the over-all performance evaluation will require noting attendance, and any unexcused absences will result in an automatic zero for that particular class.

Law school information: Here are two links to information that you may want to use if you have questions about law schools:
http://www.leiterrankings.com/
http://lawfirmaddict.blogspot.com/

TENTATIVE SCHEDULE
CG = Cole & Grossman, *Principles of Law & Economics*
Supplementary material will be assigned in class and/or posted on The Owl Space
*Potential student presentation material

1. **January 13:** Jurisprudence and common law. CG Ch 2 & 3. [Refer to Ch 1 for review of microeconomic concepts.]

2. **January 13:** Legal disputes and process, property rights/acquisition, and an economic theory of property. CG Ch 4. Legal research.
*How to use Westlaw and Lexis; information on Judges; *Butterfield v. Forrester; Davies v. Mann.*

3. **January 27:** How property rights are protected. CG Ch 5.
**Haslem v. Lockwood; Pierson v. Post; Flood v. Kuhn; Naab v. Nolan.*

4. **January 27:** More property and intellectual property. CG Ch 6.
** Vanna White v. Samsung; Fontainbleau Hotel v. Forty-Five Twenty-Five; Spur v. Del Webb; Boomer v. Atlantic Cement; Vincent v. Lake Erie.*

5. **February 3 [possible re-schedule]:** More property, limitations and takings. CG Ch 7.
**Poletown v. City of Detroit; Kelo v. City of New London.*

6. **February 10:** [Mid-term Exam – 2 hours – In Class]

7. **February 17:** The economic theory of contracts. CG Ch 8.
**Riggs v. Palmer; Curtis v. Anderson.* [Coase Lecture]

8. **February 24:** Contracts, market failure and remedies. CG Ch 9.
*Dice-K Contract for Space Flight; *Hadley v. Baxendale.*

9. **March 10:** Contracts review, gap-filling, specific performance.
**Alcoa v. Essex; Texaco v. Pennzoil.*

10. **March 17:** Tort law and economic theory of tort liability. CG Ch 10.
**Palsgraf v. Long Island RR; United States v. Carroll Towing; McCarty v. Pheasant Run, Inc.*

11. **March 24:** Economic theory of strict liability and negligence. CG Ch 11.
**Fischer v. Red Lions Inns; Helling v. Carey; Escola v. Coca Cola Bottling; Klein v. Pyrodyne Corp.*

12. **March 31:** Tort reform, product liability, insurance, vicarious liability, comparative negligence, and punitive damages. CG Ch 12.
**Liebeck v. McDonald's; Torres v. Reardon; Desert Cab v. Marino.*

13. **April 7: {TBD}**

14. **April 14:** Economic and ethical analysis of financial system regulation. Materials to be provided on The Owl Space.

14. **April 21:** Comprehensive review; discussion of final exam.

Exam Date to be assigned during April 30 – May 7.